

**Minutes of the Meeting of the
Jasper Economic Development Commission
September 12, 2012**

The Jasper Economic Development Commission met on Wednesday, September 12, 2012 in the Council Chambers of City Hall located at 610 Main Street. Notice was given in compliance with Indiana's Open Meeting Law.

CALL TO ORDER

President Andrew Seger called the meeting to order at 8:00 a.m.

ROLL CALL

Member Andrew Seger	present
Member Jim Skillman	absent
Member Robert Whitten	present
Member Mark Schmidt	present
Member Ray Snowden	present
Also present:	
Renee Kabrick - Commission's Attorney	
Kathy Pfister – Recording Secretary	

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

APPROVAL OF MINUTES

Ray Snowden made a motion to approve the Commission's minutes from their August 15, 2012 meeting as presented. Robert Whitten seconded the motion. The motion carried 4-0.

TAX ABATEMENT REQUESTS

KIMBALL OFFICE FURNITURE – PERSONAL

Dean Vonderheide, Vice President of Organizational Effectiveness for Kimball International, appeared before the Commission to request a tax abatement regarding a proposed project involving the move of production from its Post Falls, Idaho facility to two (2) of its' Jasper facilities, specifically the facility located at 15th Street and the facility located at Cherry Street. Also present were Kathy Sigler, Director of Operations for Kimball Office's 15th and Cherry Street facilities and Ruth Goepfrich, who is part of the organizational effectiveness team.

Mr. Vonderheide explained the company's plans. With the intent to expand into the East Coast market, Kimball has been searching for a closer location to move a production line from its Post Falls, Idaho site. Kimball is considering several alternative locations for the relocation of its Xcite line including Jasper, Indiana, Salem, Indiana and Martinsville, Virginia. The move would create 30 manufacturing jobs at an average of \$12.25/hour, with estimated annual base wages totaling \$763,360. Kimball Office intends to invest approximately \$1.1 million in new equipment that would be installed at its facilities located at 15th and Cherry Streets.

President Seger asked if the 30 projected jobs would be new for Jasper; if this would be an add-on to the existing production and also if the company is replacing any equipment. Mr. Vonderheide said these would indeed be new jobs for Jasper. The 30 jobs at the Idaho plant would be moved to the 15th & Cherry Street locations. There are no employees from the Idaho

plant interested in transferring to Jasper. This would be an add-on to the existing production, with additional equipment, not replacing any existing.

Member Ray Snowden asked if the company anticipates any growth in Jasper with the new product line. Director of Operations, Kathy Sigler said the jobs will be based on an eight-hour day, with flex time up to 10 hours. Ms. Sigler added that Kimball does anticipate growth and intends to add a night shift within two years.

Mr. Vonderheide touched on the company's benefit package, internship program, community involvement and green technology, which are also categories for the Commission to consider in the scoring process.

Following Kimball's presentation and further discussion, the Board scored the following evaluation criteria:

• New Investment in Property and Equipment: (1,000,000 - \$1,999,999)	<u>Points</u> 28
• New employment: number of full-time equivalent (FTE) jobs (26-50 new FTE)	26
• New employment wage level:% above state minimum wage (Score reflects the midpoint of incentive range)	20
• Infrastructure requirements already in place:	
Adequate road	1
Water	1
Wastewater	1
Electric Service	1
Gas	1
• Years the applicant has operated in Jasper (9 or more years)	5
Total base points (out of 100)	84
• Targeted business bonus points (*Targeted businesses include those in Measuring, Testing & Navigational Instrument Manufacturing, Specialty Food Manufacturing, Durable Goods/Wholesaling/Distribution, Specialty Manufacturers such as medical, athletic, game, toy & children's vehicle manufacturing, and Crane Naval Surface Warfare Center Vendors (as identified in the Dubois County Area Development Corporation's most recent Business Target Recommendations for Dubois County) <i>President Seger mentioned that although 'office furniture' is not on the list, this particular office product line is a specialty application and should be considered.</i>	4
• Utilizes 'green' technology	2
• Use of existing vacant structure (Points awarded based on actual vacant structure to be used) <i>Member Snowden commented that idle buildings, such as the Kimball 15th Street and Cherry Street facilities, are similar to vacant structures and should be scored accordingly. President Seger also commented on the benefit to the community of filling idle space, specifically commenting on the risk of idle space breeding more idle space.</i>	3
• Offers Employer-sponsored health and wellness benefits	2
• Offers Employer-sponsored retirement plan	2
• Community Involvement	1

• Use of local suppliers/contractors in construction/operation of project	1
• Offers mentoring/internship program	1
Total bonus points	16
Total points possible with bonus points (120)	Final Score 100

Member Ray Snowden made a motion to recommend that the Common Council adopt the presented tax phase-in score sheet and local guidelines, resulting in a 10-year abatement for Kimball Office with a 10-year time period and schedule as follows: Years 1-8 – 100%, Year 9 – 75% and Year 10 – 50%. Member Mark Schmidt seconded the motion. Motion carried 4-0.

STENS – REAL AND PERSONAL

The members initially heard information regarding Stens' previously approved application for tax abatement of a project intended to be conducted at 1220 Power Drive. Stens' counsel had submitted a letter formally withdrawing that application. President Seger made a motion to vacate or repeal that abatement, accept the withdrawal and repeal the previous resolutions. Member Snowden seconded the motion. Motion carried 4-0.

Jay Walters, of Bingham Economic was present on behalf of Stens to request a tax abatement to renovate a 157,000 square-foot building at 1919 Hospitality Drive, formerly Columbus Container. The company has outgrown its current facility on Cathy Lane. Stens has reached an agreement to lease the former Columbus Container building for 10 years. Mr. Walters said Stens appeared before the Commission approximately a year ago for a similar project with a vacant facility owned by Kimball located on Power Drive; however, for a number of reasons, the project never came to fruition.

Mr. Walters said Stens will renovate 40,000 square feet at the building formerly known as the Columbus Container Building for corporate office space. The estimated cost for the renovation is \$2.5 to \$3 million. With 176 current employees, the company plans to create 98 new jobs over the next 4-5 years at an average rate of \$18.00/hour.

President Seger inquired about any major differences between this project and the previous one. Mr. Walters advised that the new project involves a long-term lease. In addition, the previous building had more office space than the proposed building. The company plans to use Seufert Construction as the general contractor, along with local sub-contractors. Stens intends to sign the lease in October, 2012 and begin moving into the new space by January, 2013, with completion by December of 2013.

According to Mr. Walters, the cost of the new logistics equipment (\$2 million) is significantly higher than the estimated \$200,000 on the original application. Attorney Kabrick added that the criteria for the tax phase-in application is based on the location of the building and suggested that Mr. Walters explain why the proposed building should be designated as an economic revitalization area. Mr. Walters said this building has been vacant for 12 years. Although infrastructure is in place, there is no office space in the old distribution facility; therefore a lot of work will need to be done to renovate 40,000 square feet of the building into corporate office space.

Following Stens' presentation and further discussion, the Board scored the following evaluation criteria:

• New Investment in Property and Equipment: ((\$350,000,000 - \$4,000,000))	<u>Points</u> 29
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• New employment: number of full-time equivalent (FTE) jobs (75-99 new FTE)	29
• New employment wage level:% above state minimum wage (Score reflects the midpoint of incentive range)	27
• Infrastructure requirements already in place:	
Adequate road	1
Water	1
Wastewater	1
Electric Service	1
Gas	1
• Years the applicant has operated in Jasper (9 or more years)	5
Total base points (out of 100)	95
• Targeted business bonus points	5
(*Targeted businesses include those in Measuring, Testing & Navigational Instrument Manufacturing, Specialty Food Manufacturing, Durable Goods/Wholesaling/Distribution, Specialty Manufacturers such as medical, athletic, game, toy & children's vehicle manufacturing, and Crane Naval Surface Warfare Center Vendors (as identified in the Dubois County Area Development Corporation's most recent Business Target Recommendations for Dubois County)	
<i>Commission members were in consensus with President Seger's comment that Stens is a great example of a business in town that is a diversification from what some of the larger sectors are and is as important as any in terms of incentive growth.</i>	
• Utilizes 'green' technology	2
• Use of existing vacant structure	6
(Points awarded based on actual vacant structure to be used)	
• Offers Employer-sponsored health and wellness benefits	2
<i>Intent is to continue to offer these benefits for new positions</i>	
• Offers Employer-sponsored retirement plan	2
<i>Intent is to continue to offer retirement plan for new positions</i>	
• Community Involvement	1
• Use of local suppliers/contractors in construction/operation of project	1
• Offers mentoring/internship program	1
Total bonus points	20
Total points possible with bonus points (120)	Final Score 115

President Seger made a motion to recommend that the Common Council adopt the presented tax phase-in score sheet and local guidelines, resulting in a 10-year abatement for Stens with a 10-year time period and schedule as follows: Years 1-8 – 100%, Year 9 – 75% and Year 10 – 50%. Member Whitten seconded the motion. Motion carried 4-0.

With no more discussion, Ray Snowden recommended that the Common Council allow the maximum abatement and adopt the City of Jasper's guideline agreed upon by this Commission. Mark Schmidt seconded it. Motion carried 4-0.

ADJOURNMENT

There being no further business to come before the board, a **motion** was made by President Seger and seconded by Ray Snowden to adjourn the meeting. The motion carried 4-0, and the meeting adjourned at 8:56 a.m.

Andrew M. Seger, President

ATTEST:

Mark R. Schmidt, Secretary